

AMENDED IN ASSEMBLY APRIL 23, 2009

AMENDED IN ASSEMBLY APRIL 13, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

## ASSEMBLY BILL

**No. 177**

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### Introduced by Assembly Member Price

February 2, 2009

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An act to add Section 13985 to, *and to add and repeal Chapter 12.92 (commencing with Section 7096) of Division 7 of Title 1 of, the Government Code, relating to economic development.*

#### LEGISLATIVE COUNSEL'S DIGEST

AB 177, as amended, Price. ~~Economic development. development:~~ *California Urban Communities Collaborative Initiative Act of 2009.*

(1) *Existing law provides for various programs and activities in the development of economic opportunities for businesses in the state.*

*This bill would, until January 1, 2016, enact the California Urban Communities Collaborative Initiative Act of 2009. The bill would create the California Urban Communities Collaborative Initiative in state government. As part of the initiative, the bill would establish an Inter-Agency Initiative Workgroup, partnership, and local committees for designated project areas and assign these entities specified duties with respect to coordinating and improving government efforts for at-risk urban communities, as defined. The bill would require the workgroup to report annually to the Governor and Legislature on its activities.*

~~The~~

(2) *The Business, Transportation and Housing Agency has various duties regarding general supervision over the operation of the*

departments within the agency, including the Department of Housing and Community Development.

This bill would authorize the agency to develop regional plans and collaborative efforts in specified fields regarding economic development.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. The Legislature finds and declares all of the  
2 following:

3     (a) California's urban communities and neighborhoods within  
4 its largest cities are remarkably diverse in their people, businesses,  
5 and cultural heritage, and provide an enormous unrealized potential  
6 for development of a skilled, educated, and sustainable workforce.

7     (b) The state has a very high interest in helping urban  
8 communities realize their potential because, among other things,  
9 uplifting these communities generates higher tax revenue, lowers  
10 social costs, and improves the health and overall quality of life for  
11 residents.

12     (c) By supporting public-private partnerships, business,  
13 education, and law enforcement entities in at-risk, underserved  
14 communities, the state ensures a longstanding commitment to  
15 economic self-reliance, parity, power, and civil rights.

16     (d) Improving the economy and overall quality of life for the  
17 people in at-risk urban communities requires a concerted,  
18 coordinated, and creative response from leaders at all levels of  
19 government and from the community.

20     (e) The Business, Transportation and Housing Agency has  
21 established the California Urban Communities Collaborative, a  
22 voluntary initiative that includes various pilot projects intended  
23 to, among other things, facilitate collaboration among state and  
24 local government agencies, community-based organizations, and  
25 the private sector for the purpose of identifying, accessing, and  
26 coordinating delivery of public and private resources to at-risk  
27 urban communities within specified metropolitan areas to stabilize  
28 the social structure, increase the living standards and the overall  
29 economic performance, and improve the health of at-risk  
30 communities.

1 (f) Supporting collaborative efforts for the leveraging of private  
2 and nonprofit sector resources with public funds through  
3 collaborative projects that can result in increased employment and  
4 a higher standard of living in California urban communities.

5 SEC. 2. Chapter 12.92 (commencing with Section 7096) is  
6 added to Division 7 of Title 1 of the Government Code, to read:

7  
8 CHAPTER 12.92. CALIFORNIA URBAN COMMUNITIES  
9 COLLABORATIVE INITIATIVE ACT OF 2009  
10

11 7096. (a) This act shall be known and may be cited as the  
12 California Urban Communities Collaborative Initiative Act of  
13 2009.

14 (b) The Legislature hereby finds and declares all of the  
15 following:

16 (1) The current economic downturn exacerbates decades of  
17 disparity and neglect within California's at-risk urban  
18 communities, making the lack of a functioning and adequate state  
19 policy and strategy to address the situation one of the most  
20 important social justice and civil rights issues of our time.

21 (2) In the wake of global warming, urban revitalization  
22 represents a major opportunity for smart growth, clean air,  
23 alternative energy, green economy, and workforce policy in  
24 California.

25 (3) Given the passage and convergence of the California Global  
26 Warming Solutions Act of 2006 and Senate Bill 375 of the 2007–08  
27 Regular Session, both designed to mitigate climate change, it is  
28 important that an appropriate economic development policy  
29 focused on at-risk urban communities be adopted to ensure greater  
30 equity and inclusion of all Californians in the future of developing  
31 and implementing climate change, transportation, land-use, and  
32 economic stimulus policies.

33 (4) California's urban communities and neighborhoods within  
34 its largest cities are remarkably diverse in their people, businesses,  
35 and cultural heritage, and provide an enormous unrealized  
36 potential for development of a skilled, educated, and sustainable  
37 workforce.

38 (5) Every California community should have the right to  
39 participate in the decisionmaking process on issues that affect it,  
40 the opportunity to attain self-sufficiency and independence, and

1 *the ability to provide a decent, safe, and supportive living*  
2 *environment for every one of its residents.*

3 *(6) The state has a very high interest in helping urban*  
4 *communities realize their potential because, among other things,*  
5 *uplifting these communities generates higher tax revenue, lowers*  
6 *social costs, and improves the health and overall quality of life*  
7 *for its citizens.*

8 *(7) The state, among the world's 10 largest economies, needs*  
9 *to enhance its competitiveness by investing in improved education*  
10 *and training of people living in its urban communities to ensure*  
11 *the expansion of the state's intellectual and scientific research*  
12 *capacity, enabling an increased number of engineers, doctors,*  
13 *scientists, teachers, and skilled individuals equipped to meet the*  
14 *challenges of the technologically advanced 21st century.*

15 *(8) The state has a vested interest in providing the framework*  
16 *from which equality can be attained among the diverse populations*  
17 *in its largest metropolitan areas.*

18 *(9) Urban communities represent an untapped market for*  
19 *products manufactured in the United States for export abroad and*  
20 *for goods and services produced elsewhere in the state. As the*  
21 *economic potential of urban consumers increases, so will the*  
22 *benefits to other economic segments of our state.*

23 *(10) The state has a very high interest in reducing crime, the*  
24 *cost of incarceration, and the loss of lives and property associated*  
25 *with it, and best achieves improvements in these areas by finding*  
26 *answers to these problems that plague urban communities.*

27 *(11) For every youth averted from incarceration in a facility of*  
28 *the Juvenile Justice Division of the Department of Corrections*  
29 *and Rehabilitation, the state will save between seventy thousand*  
30 *dollars (\$70,000) and one hundred fifty-four thousand dollars*  
31 *(\$154,000) per year in detention and related costs.*

32 *(12) For every youth prevented from going to prison as an adult,*  
33 *the state will save over thirty-four thousand dollars (\$34,000) per*  
34 *inmate annually in detention costs alone.*

35 *(13) This state is home to three of the 10 largest cities in the*  
36 *United States, including Los Angeles, which is perhaps the most*  
37 *socioeconomic and ethnically diverse of all.*

38 *(14) The strength of this state is tied to the economic success*  
39 *of all its urban communities, as well as its rural regions. Improving*  
40 *the economy and well-being of the people in at-risk urban*

1 *communities requires a concerted, coordinated, and creative*  
2 *response from leaders at all levels of the private sector, the*  
3 *community, and government.*

4 *(15) The holistic, comprehensive, and multijurisdictional*  
5 *approach demonstrated by the San Joaquin Valley Partnership,*  
6 *created in 2005 for rural areas, can be a model for how the state*  
7 *can partner with the public and private sectors in local*  
8 *communities to address the problems in urban communities. The*  
9 *San Joaquin Valley Partnership has demonstrated that a*  
10 *collaborative effort can produce a vision to build a cohesive region*  
11 *that is supported by a vibrant economy sustained by competitive*  
12 *strengths and sufficient resources. The vision was to provide a*  
13 *high quality of life for all valley residents in order to achieve the*  
14 *“3Es” of sustainable growth: a prosperous economy, quality*  
15 *environment, and social equity.*

16 *(16) In a portion of the Crenshaw Corridor area of Los Angeles,*  
17 *the California Business, Transportation and Housing Agency has*  
18 *established the California Urban Communities Collaborative, a*  
19 *voluntary initiative that includes various pilot projects intended*  
20 *to, among other things, facilitate collaboration among state and*  
21 *local government agencies, community-based organizations and*  
22 *the private sector, for the purpose of identifying, accessing and*  
23 *coordinating delivery of public and private resources to at-risk*  
24 *urban communities within specified metropolitan areas to stabilize*  
25 *the social structure, increase the living standards and the overall*  
26 *economic performance, and improve the health of designated*  
27 *project areas in at-risk communities.*

28 *(17) Leveraging of private and nonprofit sector resources with*  
29 *public funds through collaborative projects can produce*  
30 *partnerships that result in an overall savings to state and local*  
31 *government while ultimately increasing revenues due to increased*  
32 *employment and a higher standard of living.*

33 *(18) By supporting public-private partnerships, business,*  
34 *education, and law enforcement entities in at-risk communities,*  
35 *the state ensures a longstanding commitment to economic*  
36 *self-reliance, parity, power, and civil rights.*

37 *7096.1. For the purposes of this chapter, the following*  
38 *definitions shall apply:*

39 *(a) “At-risk urban community” means an urban neighborhood*  
40 *or community where the area median income is at or below 80*

1 percent of the statewide median income as determined by the  
2 federal Department of Housing and Urban Development.

3 (b) “Designated project area” means an at-risk urban  
4 community chosen by the partnership for coordinated planning  
5 and state assistance, as described in Section 7096.2, that is both  
6 of the following:

7 (1) Located within a Standard Metropolitan Statistical Area,  
8 as defined by the United States Census Bureau, in this state with  
9 a population of more than 500,000.

10 (2) Located within a redevelopment project area pursuant to  
11 Section 33320.1 of the Health and Safety Code, or enterprise zone  
12 as designated pursuant to subdivision (d) of Section 7072.

13 (c) “Local community revitalization strategy” means a strategy  
14 developed by a local community or neighborhood through  
15 collaboration with relevant public and private stakeholders. The  
16 local community revitalization strategy shall address the areas of  
17 business investment, retention, attraction and growth,  
18 homeownership, education, job training, public safety, and the  
19 arts and entertainment.

20 (d) “Workgroup” means the Inter-Agency Initiative Workgroup  
21 convened pursuant to Section 7096.2.

22 7096.2. (a) The California Urban Communities Collaborative  
23 Initiative is hereby created in state government. The purpose of  
24 the initiative is (1) to develop and implement a more effective  
25 method for delivering existing state programs and services and  
26 that support and enhance comprehensive and integrated local  
27 efforts to improve at-risk urban communities, and (2) to strengthen  
28 locally led public and private efforts to stabilize the social structure  
29 and increase the living standards and the overall economic  
30 performance of designated project areas in at-risk urban  
31 communities. A local coordinated effort between these public and  
32 private entities shall bring together people, programs, and  
33 resources in an efficient collaboration in the areas of business  
34 investment, retention, attraction and growth, homeownership,  
35 education, job training, public safety, and the arts and  
36 entertainment.

37 (b) The Secretary of Business, Transportation and Housing  
38 shall convene and chair an Inter-Agency Initiative Workgroup,  
39 which shall include the following:

1     *(1) The following state officials, or their designees from the*  
2 *executive office of the corresponding agencies:*

3     *(A) The Secretary of Business, Transportation and Housing.*

4     *(B) The Secretary of Labor and Workforce Development.*

5     *(C) The Secretary of California Health and Human Services.*

6     *(D) The Superintendent of Public Instruction.*

7     *(E) The Attorney General.*

8     *(2) One representative, who will serve at the pleasure of each*  
9 *of the following:*

10    *(A) The California Economic Strategy Panel, chosen by the*  
11 *chair of the panel.*

12    *(B) The California Workforce Investment Board, chosen by the*  
13 *chair of the board.*

14    *(C) The Employment Training Panel, chosen by the chair of the*  
15 *panel.*

16    *(c) The Business, Transportation and Housing Agency, through*  
17 *the direction of its secretary as chair of the workgroup, shall enter*  
18 *into a collaborative agreement with a partnership that includes,*  
19 *but is not necessarily limited to, statewide economic development,*  
20 *workforce development, social justice, civil rights, education,*  
21 *public safety, and urban research organizations with local*  
22 *affiliates, for the purposes set forth in this section.*

23    *(d) The partnership shall, with marketing assistance from the*  
24 *workgroup, based on existing local activity, if any, and active level*  
25 *of local interest, if any, identify, recruit and help assemble a local*  
26 *committee for each designated project area consisting of all of the*  
27 *following:*

28    *(1) Elected local government members, including the mayor*  
29 *and county supervisor who represents the designated project area.*

30    *(2) Four civic leaders or private sector members.*

31    *(3) Three representatives of existing nonprofit organizations,*  
32 *consortia, civic organizations, or educational institutions, with*  
33 *established ties to, and that have a primary organizational focus*  
34 *on promoting the economic and social advancement of, at-risk*  
35 *urban neighborhoods. The chair of the local committee shall select*  
36 *representatives appointed under this paragraph from a list of*  
37 *recommendations provided by potential or existing members of*  
38 *the local committee or the partnership. They shall serve at the*  
39 *pleasure of the partnership.*

1     (4) All members of the Legislature who represent the designated  
2 project area may be ex officio, nonvoting members of the local  
3 committee.

4     (e) Each local committee shall select one elected local  
5 government member and one civic leader or private sector member  
6 to serve as chair and vice chair of the local committee. The local  
7 committee shall serve as the official body for discussions regarding  
8 implementation of the overall local community revitalization plan.  
9 Nothing in this subdivision precludes or limits the partnership or  
10 workgroup from having discussions with any public entity  
11 regarding any activities occurring within or related to each  
12 designated project area.

13     (f) The partnership may request that the economic development  
14 coordinators from local governments with jurisdiction over a  
15 designated project area serve as ad hoc advisors to the partnership  
16 and its project managers and consultants.

17     (g) Based on available funding, partnership organizations may  
18 receive funding for purposes of partnership activities, which  
19 includes ensuring maximum equity, diversity, and linkages between  
20 regional economic development and low-income neighborhood  
21 revitalization strategies.

22     (h) The partnership shall meet at least once quarterly for the  
23 conduct of its business. It may also host town hall meetings in a  
24 designated project area in addition to, or in conjunction with, its  
25 quarterly meetings.

26     (i) A majority of the partnership board shall constitute a quorum  
27 for the purposes of holding meetings or otherwise conducting  
28 partnership business. Any item of partnership business requiring  
29 a vote of the membership shall be subject to a majority vote from  
30 each local committee.

31     (b) The Business, Transportation and Housing Agency shall  
32 provide administrative support to the workgroup and the  
33 partnership out of existing resources currently financing the  
34 California Urban Communities Collaborative, or any federal or  
35 private funds secured to finance that administrative support.

36     7096.4. (a) Duties of the workgroup, partnership, and local  
37 committee for each designated project area shall include all of the  
38 following, as applicable:

39     (1) Direct each state department or agency with relevant  
40 statutory authority or programs to identify and make available



1 *appropriate resources for a designated project area consistent*  
 2 *with its local community revitalization strategy. These departments*  
 3 *and agencies may include, but not be limited to, the Department*  
 4 *of Housing and Community Development, the State Department*  
 5 *of Social Services, the Department of Community Services and*  
 6 *Development, the Employment Development Department, the State*  
 7 *Department of Education, the Department of Justice, the California*  
 8 *Infrastructure and Economic Development Bank, the State Historic*  
 9 *Preservation Officer, and the Juvenile Justice Division of the*  
 10 *Department of Corrections and Rehabilitation.*

11 (2) *Analyze programs and policies of workgroup agencies that*  
 12 *relate to the requested and recommended actions in each of the*  
 13 *local community revitalization strategies of designated project*  
 14 *areas to determine what changes, modifications, and innovations*  
 15 *should be considered in state programs in the areas of business*  
 16 *investment, retention, attraction and growth, homeownership,*  
 17 *education, job training, public safety, and the arts and*  
 18 *entertainment, if any. The purpose of this analysis is to better serve*  
 19 *the designated project area and other communities and*  
 20 *neighborhoods in the state facing similar challenges.*

21 (3) *Consider statistical and data analysis, research, and policy*  
 22 *studies related to at-risk urban communities.*

23 (4) *Develop, recommend, and implement short-term and*  
 24 *long-term options for promoting sustainable economic development*  
 25 *in the state's at-risk urban communities.*

26 (5) *Consult and coordinate activities with federal, state, and*  
 27 *local governments, community leaders, state legislators, the private*  
 28 *sector, nonprofit organizations, and other interested parties to*  
 29 *benefit at-risk urban communities, attempting to build on the*  
 30 *strengths of existing authorities of the state and local governments,*  
 31 *and to preserve their existing working relationships with other*  
 32 *agencies, organizations, or individuals.*

33 (6) *Coordinate and collaborate on research and demonstration*  
 34 *priorities of partnership member organizations related to at-risk*  
 35 *urban communities.*

36 (7) *Integrate state and federal initiatives and programs into the*  
 37 *design of sustainable economic development actions for the state's*  
 38 *at-risk urban communities.*

39 (8) *Identify projects and programs that will best utilize public*  
 40 *dollars and most quickly improve the economic vitality of at-risk*

1 *urban communities, especially those that leverage federal, state,*  
2 *local, and private sector resources in a coordinated effort to*  
3 *address critical needs in these communities.*

4 *(9) Work with the state's elected congressional representatives*  
5 *and federal officials to gain federal support for projects identified*  
6 *by the partnership as critical to the state's at-risk communities.*

7 *(10) Partner with the University of California, the California*  
8 *State University, the California Community Colleges, and the*  
9 *state's other research and educational institutions, as well as*  
10 *private foundations, to provide guidance, advice, and*  
11 *encouragement in support of studies of particular interest and*  
12 *importance to the at-risk urban communities.*

13 *(c) The Business, Transportation and Housing Agency shall*  
14 *link the partnership's Internet Web site from its main Internet Web*  
15 *page to provide the public with information about the partnership.*

16 *(d) Upon funds becoming available, the partnership shall*  
17 *establish and operate a program to distribute matching grants to*  
18 *designated project areas that can be used as seed grants to*  
19 *leverage private sector and nonprofit contributions to support*  
20 *activities in the designated project areas.*

21 *7096.5. (a) The partnership shall, at a minimum, use the*  
22 *following eligibility criteria to select a designated project area*  
23 *proposed by a local committee in at-risk urban communities:*

24 *(1) The community shall have a local community revitalization*  
25 *strategy for the applicant community or neighborhood boundary*  
26 *area.*

27 *(2) The community shall be able to demonstrate commitments*  
28 *of local government collaboration with at least two formal*  
29 *memoranda of understanding with publicly funded entities in the*  
30 *areas of business investment, retention, attraction and growth,*  
31 *homeownership, education, job training, public safety, and the*  
32 *arts and entertainment, as described in Section 7096.2.*

33 *(3) The community shall have secured private sector and*  
34 *nonprofit organization funding that is available as a local match*  
35 *for any partnership funds that are available for the project.*

36 *(b) The local community revitalization strategy is the foundation*  
37 *for all partnership activities. In designating a new project area,*  
38 *the partnership shall be guided by the following principles:*

39 *(1) The strategy should be comprehensive, including social,*  
40 *physical, and economic development.*

1     (2) *The planning process for the development of the strategy*  
2 *should be participatory, involving to the greatest extent possible,*  
3 *a significant majority of all demonstrably concerned community*  
4 *residents and other stakeholders.*

5     (3) *The strategy shall build the capacity of underutilized human*  
6 *and institutional resources, including the transfer of knowledge*  
7 *and skills.*

8     (4) *The strategy shall promote ownership by the community in*  
9 *both development process and product.*

10    (5) *The strategy shall promote bridge building and interethnic*  
11 *unity so that different ethnic groups and neighborhoods can be*  
12 *brought together around common policies and goals.*

13    7096.6. *The workgroup, with participation from the partnership*  
14 *and the local committees, shall report annually to the Governor*  
15 *and the Legislature on its activities, including at least the*  
16 *following:*

17    (a) *A summary of the actions taken by the workgroup and*  
18 *projected outcomes of these actions for each designed project*  
19 *area.*

20    (b) *Identification of public and private moneys and actions*  
21 *leveraged through partnership activities. Particular focus shall*  
22 *be made to contributions and investments made by the private*  
23 *sector.*

24    (c) *A progress report on the implementation of each local*  
25 *community revitalization strategy.*

26    (d) *Determinations and workgroup results stemming from*  
27 *actions pursuant to its analysis of state programs and policies*  
28 *pursuant to this chapter.*

29    (e) *Legislative proposals for enactment in furtherance of the*  
30 *partnership's mission.*

31    7096.7. (a) (1) *The partnership shall replicate the Los Angeles*  
32 *Urban League's Neighborhoods@Work project pursuant to the*  
33 *conditions in subdivision (b) of Section 7096.5 of this chapter, to*  
34 *test and expand the local-state partnership concept and approach*  
35 *to revitalizing at-risk urban communities. The partnership shall*  
36 *focus on implementing a coordinated and expedited state response*  
37 *to local economic development needs in the affected urban*  
38 *community, such as business investment and competitiveness,*  
39 *educational attainment, increased employment, reduction of crime*  
40 *rates, and increased homeownership.*

(2) Based on the results of the Los Angeles Urban League's Neighborhoods@Work project described in paragraph (1), the workgroup shall determine how the approach can be used to refine the state's assistance to the partnership in improving the quality of life for people and businesses located in at-risk urban communities. The workgroup shall establish procedures and guidelines, where necessary, for its participation in partnership activities.

(3) The partnership, based on capacity and workgroup consensus, may designate up to two project areas in the state for partnership participation in any given calendar year. As a condition of joining the partnership, a local committee shall agree to annual reporting on the goals and objectives identified in its local community revitalization strategy.

(b) (1) In addition to the requirements of Section 7096.5, the partnership shall select designated project areas based on the following criteria:

(A) Demonstrated need of the at-risk urban community.

(B) Existing assets of the at-risk urban community that can provide a basic infrastructure for community economic development.

(C) Demonstrated capabilities of the applicant local committee organization for strategic planning and administration of programs.

(D) Demonstrated applicant local committee organization ability to use a system of metrics to measure neighborhood change.

(2) The partnership may designate additional project areas, upon a determination by the Secretary of Business, Transportation and Housing that it is in the best interest of the state to utilize the California partnership methodology to intervene in the downward spiral of economic and social conditions within at-risk urban communities and that sufficient moneys are available for the state to be an adequate partner in implementing local community revitalization strategies.

7096.8. This chapter shall remain in effect only until January 1, 2016, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2016, deletes or extends that date.

~~SEC. 2.~~

SEC. 3. Section 13985 is added to the Government Code, to read:

13985. The Business, Transportation and Housing Agency may develop regional plans and collaborative efforts that include, but are not limited to, any of the following:

(1) Development of locally coordinated efforts that brings together people, programs, and resources in an efficient collaboration in the areas of health, education, public safety, housing, economic development, employment, and job training.

(2) Identification of public and private resources consistent with the local community revitalization strategies.

(3) Analysis of relevant programs and policies of government agencies to determine what changes, modifications, or innovations should be considered in state or local programs in the areas of health, education, public safety, housing, economic development, employment, or job training, if any, to better serve communities and neighborhoods.

(4) Development of short-term, intermediate, and long-term options for promoting sustainable economic development.

(5) Recommendations to integrate state initiatives and programs into the design of sustainable economic and community development action plans for the state's at-risk urban communities, consistent with community revitalization plans.

(6) Development of an annual work plan that details how the specific goals, objectives, and actions will be achieved.